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FINANCING OF THE UNITED NATIONS PROTECTION FORCE

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Protection Force (UNPROFOR) (A/48/690 and Corr.1-3).

2. The main report of the Secretary-General is dated 3 December 1993; it does not therefore take into account General Assembly decision 48/470 of 23 December 1993, which, inter alia, authorized additional commitments for the period 1 July 1993 to 28 February 1994. Furthermore, because the report was prepared on the basis of data available in September 1993, some of the information contained therein relating, inter alia, to elements of the cost estimates, status of assessed contributions and payments to troop-contributing States is no longer valid.

3. The Committee was therefore provided with revised data, as discussed below. Some of this information is contained in document A/48/690/Corr.3, which was issued subsequent to the Committee's consideration of the item. The Committee believes that a consolidated comprehensive corrigendum should have been made available prior to its consideration of the item, thereby facilitating its work. The Committee notes that the revised data also affect some of the figures contained in document A/48/690/Corr.1 of 19 January 1994, which was issued to take into account the actions taken by the Assembly in the above-mentioned decision 48/470.

4. The Committee undertook a thorough examination of the Secretary-General's report and received, as mentioned, a substantial amount of additional information and clarifications. The Committee also had the benefit of meeting with the Chief Administrative Officer of the operation.

5. On the basis of the information provided to the Advisory Committee, paragraph 54 of document A/48/690/Corr.1, which enumerates the actions to be

taken by the General Assembly in connection with the financing of UNPROFOR, should be further revised to read as follows:

"(a) A decision to extend the second financial period by nine months up to and including 31 March 1994 and to consolidate and administer the resources provided to UNPROFOR for the period from 1 April 1993 to 31 March 1994, inclusive;

"(b) The appropriation of the amount of $873,893,039 gross ($869,110,639 net), inclusive of the amount of $200 million gross ($198,257,825 net) authorized in paragraph 10 of General Assembly resolution 47/210 B, the amount of $195 million gross ($193,257,825 net) authorized with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions under the terms of paragraph 10 of resolution 47/210 B and the amount of $383,408,000 gross ($380 million net) authorized by the General Assembly in its decision 48/470, for the maintenance of UNPROFOR for the period from 1 July 1993 to 31 March 1994;

"(c) The apportionment of an additional amount of $312,413,239 gross ($312,594,989 net) for the maintenance of UNPROFOR for the period from 1 July 1993 to 31 March 1994, taking into account the amount of $200 million gross ($198,257,825 net), the amount of $195 million gross ($193,257,825 net) and the amount of $166,479,800 gross ($165,000,000 net) already apportioned in accordance with General Assembly resolution 47/210 B and General Assembly decision 48/470;

"(d) A decision to set off against the apportionment among Member States for the period from 1 July 1993 to 31 March 1994, their respective share in the unencumbered balance of $26,219,500 gross ($25,384,200) for the period from 12 January 1992 to 28 February 1994;

"(e) With regard to the period after 31 March 1994, provision by means of appropriation and/or commitment authorization at a monthly rate of $104,238,200 gross ($103,240,675 net) and for the apportionment of such amounts, should the Security Council decide to continue UNPROFOR beyond that date;

"(f) A decision to establish the special financial period of UNPROFOR for a period of 12 calendar months, that is, starting on 1 April of one year and ending on 31 March of the next, effective from 1 April 1993, subject to the continuation of UNPROFOR by the Security Council.

6. The Committee was informed that, as of 26 January 1994, assessments totalling $1,416,418,063 had been apportioned among Member States in respect of UNPROFOR for the period 12 January 1992 to 28 February 1994, including the amount of $166,479,800 gross assessed pursuant to General Assembly decision 48/470 of 23 December 1993, for which letters of assessment were sent out on 21 January 1994. Contributions received in respect of the total assessments amounted to $1,040,579,729, resulting in a shortfall of $375,838,334.

7. The following table, which was provided to the Advisory Committee, summarizes the actions that have been taken thus far in respect of the cost estimates for UNPROFOR for the period 1 July 1993 to 31 March 1994:

	Gross	Net	Reference
Secretary-General's cost estimate	873 893 039	869 110 639	
Authorized			
1 Jul.-30 Sep. 1993	200 000 000	198 257 825	Resolution 47/210 B
1 Oct.-31 Dec. 1993	195 000 000	193 257 825	Resolution 47/210 B and ACABQ letter of 2 Nov. 1993
1 Jul. 1993-28 Feb. 1994	383 408 000	380 000 000	Decision 48/470
Total authorizations	778 408 000	771 515 650	
Balance	95 485 039	97 594 989	
Assessed			
1 Jul.-30 Sep. 1993	200 000 000	198 257 825	Resolution 47/210 B
1 Oct.-31 Dec. 1993	195 000 000	193 257 825	Resolution 47/210 B and ACABQ letter of 2 Nov. 1993
1 Jul. 1993-28 Feb. 1994	166 479 800	165 000 000	Decision 48/470
Total assessments	561 479 800	556 515 650	
Balance	312 413 239	312 594 989	

8. The Advisory Committee's review of the Secretary-General's report was complicated by the many revisions in data as well as by the highly complex nature of the operation. Established by Security Council resolution 743 (1992) of 21 February 1992, the operation's original mandate has been enlarged by 12 separate decisions of the Security Council, the last of which was resolution 847 (1993) of 30 June 1993 (see A/48/690, annex I). This situation, together with the many operational uncertainties in each of the three principal areas of deployment, makes both budget formulation and review and the subsequent preparation of budget performance and evaluation very difficult. For example, the present report covers budget performance for a short period of three months that ended over eight months ago. This does not facilitate the projection of future expenditures for the Force. The Advisory Committee was informed that a comprehensive review of UNPROFOR is now under way and that the results would be made available before the next review of the mandate by the Security Council.

Reimbursements to troop-contributing States

9. The Advisory Committee was informed that reimbursements or credits to troop-contributing Governments in respect of troops amounted to $99,189,326 for the months of July to October 1993. A further $61.9 million would be paid before the end of March 1994 in respect of November and December 1993, thereby

leaving an outstanding amount of some $91.5 million in respect of January to March 1994.

Voluntary contributions

10. The cumulative list of voluntary contributions for UNPROFOR is contained in annex XXIII to the Secretary-General's report. The contributions reported in that annex were previously reported in documents A/47/741, for the period ending 14 October 1992 (paras. 58 and 59) and A/47/741/Add.1, for the period ending 31 March 1993 (para. 19). In response to inquiry concerning the treatment of those contributions (see also A/47/990, para. 9), representatives of the Secretary-General conceded that the value of the contributions shown in annex XXIII should have been included in annex VII to document A/48/690 in respect of the line item, voluntary contributions in kind, for the period 12 January 1992 to 31 March 1993. The Committee notes from paragraph 31 of document A/48/690 that, for the period 1 April to 30 September 1993, no additional voluntary contributions were received for UNPROFOR.

11. Information concerning the Trust Fund for the Common Costs of the Bosnia and Herzegovina Command is contained in paragraph 33 of the Secretary-General's report. As indicated therein, that Fund was established to cover the additional United Nations administrative expenses associated with the enlargement of the mission authorized by Security Council resolution 776 (1992) to provide protection to humanitarian relief convoys in Bosnia and Herzegovina. The Committee notes that pledged contributions amounting to $26.4 million were made. As stated in paragraph 33 of document A/48/690, as at 31 October 1993 total income to the Trust Fund amounted to $5,426,621, including contributions from Member States totalling $5,387,555. The Committee was informed that total expenditures as at 31 October 1993 were $3,132,100 (i.e. some $500 more than the amount indicated in table 2 of document A/48/690).

12. As stated in paragraph 9 of document A/48/690, in his report to the Security Council of 25 March 1993 (S/25470), the Secretary-General had recommended that as at 1 April 1993 all activities of UNPROFOR be incorporated into the United Nations budget. The Security Council, in its resolution 815 (1993) of 30 March 1993, approved the report of the Secretary-General. Revised cost estimates for UNPROFOR for the period 1 April 1993 to 30 June 1994 were submitted to the General Assembly in document A/47/741/Add.1 and Corr.1. As stated in paragraph 9 of document A/48/690, those estimates included additional requirements for the protection of humanitarian relief convoys authorized by Security Council resolution 776 (1992). By its resolution 47/210 B, the General Assembly, inter alia, appropriated $227,584,900 gross for the period from 1 April to 30 June 1993. In view of the above, expenditures from the Trust Fund cover the period through 31 March 1993 and not 31 October 1993.

13. The Advisory Committee recalls that the proposed establishment of the Trust Fund was first reported to the Assembly in the Secretary-General's report of 2 December 1992 (see A/47/741, para. 54). In its related report (A/47/778), the Advisory Committee reported that the "common costs" expected to be met from the Trust Fund, as defined in paragraph 55 of the Secretary-General's report, had been estimated at $62.6 million for one year. In response to inquiries,

representatives of the Secretary-General confirmed to the Committee that no assessed contributions had been used to supplement or augment the common costs of the Bosnia and Herzegovina Command that the Trust Fund was originally envisaged to finance.

14. The Advisory Committee regrets that it has never received, in accordance with the Financial Rules and Regulations, relevant documentation establishing the Trust Fund. It therefore requests that this be provided at the earliest date as well as all related information concerning any specific conditions laid down by the donors governing the disposition of the balance remaining in the Trust Fund.

Financial periods

15. The Secretary-General addresses the question of the financial periods of UNPROFOR in paragraphs 34 to 36 and 54 (a) and (f) of his report. The Committee expressed its view regarding the establishment of financial periods of 12 months for peace-keeping operations in paragraph 42 of its report (A/47/990) as follows:

> "This approach may be particularly suited to operations which have a stable pattern. Such an approach would not conflict with the separate arrangements for defining the mandate period and would not lead to annual assessments since Member States can only be assessed for the period of an existing mandate ... The Committee requests the Secretary-General to consider all the implications of this approach and the modalities for its application to consideration of peace-keeping operations by the Advisory Committee and the General Assembly, with a view to making recommendations on this matter as soon as possible."

16. Pending receipt of the above report which should, as stated, address all implications of this approach, including the issue of performance reporting, the Advisory Committee recommends that the General Assembly defer action with regard to the establishment of the 12-month financial period for UNPROFOR.

Expenditure from 1 April to 30 June 1993

17. Information concerning the financial performance of UNPROFOR for the period 1 April to 30 June 1993 is contained in annexes II and III to the Secretary-General's report. As shown therein, savings amounting to $19,201,700 gross ($19,129,000 net) were realized as summarized below:

	(Thousands of United States dollars)
Military personnel costs	13 479.1
Civilian police	1 576.4
International and local staff	559.5
Contractual staff	(705.8)
Premises/accommodation	(1 248.9)
Transport operations	4 528.4
Air operations	(706.2)
Communications	882.1
Other equipment	592.4
Supplies and services	1 035.3
Public information programme	291.3
Air and surface freight	(1 154.6)
Staff assessment	72.7
Total (gross)	19 201 700

18. In the opinion of the Advisory Committee, the performance report reflects significant improvements, particularly in respect of the explanations provided for the various savings/overexpenditures. The Committee trusts that further refinements will be made in keeping with the Committee's observations in its document A/47/990. The Advisory Committee notes with satisfaction the substantial savings derived from an increased use of charter and group-travel arrangements.

Cost estimates from 1 July 1993 to 31 March 1994

19. On the basis of the report of the Secretary-General of 17 June 1993 (A/47/741/Add.1) and the Advisory Committee's related report (A/47/986), the General Assembly adopted resolution 47/210 B of 14 September 1993 on the financing of UNPROFOR. As shown in paragraph 7 above, that resolution inter alia authorized the Secretary-General to enter into commitments for the operation of UNPROFOR in an amount not exceeding $200 million gross for the period from 1 July to 30 September 1993. The Assembly, subject to the Security Council deciding to continue the Force beyond 30 September 1993 and with the prior concurrence of the Advisory Committee as to the actual level of commitments to be entered into, also authorized the Secretary-General to enter into commitments for the operation of UNPROFOR at a rate not to exceed $65 million gross per month for the period 1 October to 31 December 1993.

20. By the same resolution, the Assembly requested the Secretary-General to submit to the General Assembly prior to 1 November 1993 a full budget for the Force for the period from 1 July 1993 to 31 March 1994. That deadline was not met; the Committee's observations regarding the late submission of peace-keeping reports is contained in document A/48/778. The Assembly subsequently, by its decision 48/470, decided, "on an exceptional basis", to authorize additional commitments up to the amount of $383,408,000 gross for UNPROFOR for the period from 1 July 1993 to 28 February 1994. Consequently, total authorized commitments for the period in question amount to $778,408,000 gross.

21. This compares with the initial estimate shown in document A/48/690 of $897,980,900 gross for the period 1 July 1993 to 31 March 1994. During the course of its examination of the UNPROFOR budget, this total was revised downward by representatives of the Secretary-General by $24,087,861 gross to $873,893,039 gross (see para. 7 above). This revised budget estimate, which covers the period from 1 July 1993 to 31 March 1994, is $95,485,039 more than the total authorized commitment authority through 28 February 1994. The Advisory Committee strongly recommends that steps be taken to avoid a repetition of the unusual phenomenon whereby the review and approval of the budget takes place after implementation.

22. The Committee was informed that the reduction of $24,087,861 in the budget estimate by the Secretary-General is primarily attributable to revised estimates for civilian staff costs, transport and air operations as discussed below.

23. The Secretary-General's revised estimate of $873,893,039 gross ($869,110,639 net) for the period from 1 July 1993 to 31 March 1994 takes into account the increase in UNPROFOR's strength and additional operational requirements of the mission's mandate, which were authorized by the Security Council in its resolutions 842 (1993) of 18 June 1993, 844 (1993) of 18 June 1993 and 847 (1993) of 30 June 1993. As shown in annex I to the Secretary-General's report, those resolutions authorized an increase in military strength of 100 military observers, 8,250 infantry personnel and 2,300 military support personnel.

24. Annex I to the Secretary-General's report summarizes, by mandate, the authorized military strength of UNPROFOR. The totals shown therein compare with the totals provided for in the Secretary-General's estimate (by the end of the mandate period) and with actual deployment as of 21 January 1994 as follows:

	Authorized strength	Budgeted (as of 31 March 1994)	Deployed (as at 21 Jan. 1994)
Military observers	578	576	595
Contingent personnel	34 700 a/	27 667	28 294 b/
Civilian police	716	663	674

a/ Comprising 26,595 infantry and 8,105 military support.

b/ As at 11 February.

25. The Committee was provided with a breakdown of the actual troops deployed as at 21 January by area of operation (see annex).

26. The cost estimates for contingent personnel are, as per standard practice, based on the phasing-in of contingents; as stated in paragraph 25 of annex VI to document A/48/690, the cost estimate provides for reimbursement to Governments for an average strength of 25,454 military personnel. The Committee notes from the deployment schedule contained in paragraph 9 of annex VI to the same document that 27,667 contingent personnel were anticipated to be deployed by the end of the current mandate period; as shown above, 28,294 had been deployed as at 11 February. The Committee notes that the figures shown in the deployment schedule are, as stated in paragraph 11 of annex VI, net of gains and losses. According to the Secretary-General, they take into account both the actual deployment and repatriation of troops.

27. An amount of $47.8 million has been budgeted for rations. In this connection, the Committee notes from paragraph 27 of annex VI to document A/48/690 that the estimate was calculated on the basis of $7.10 per person per day. The Committee was informed that, as at 1 January 1994, that rate had been reduced to $6.50 per day and that consequently the estimate for the period 1 July 1993 to 31 March 1994 could be reduced by $1,457,700. With regard to rations, the Committee notes that the guidelines for Governments contributing troops to UNPROFOR specify that food will be supplied in accordance with the United Nations rations scale, which may be modified to be compatible with the home scales of contingents and to cater to national food tastes and religious dietary customs. The Committee recommends that such modifications be made as necessary in accordance with established guidelines.

28. As indicated above, troop strength varies from month to month in view of new deployments and repatriations; in an operation like UNPROFOR where the military strength has been enlarged by 12 separate decisions, the determination of actual troop strength at a given moment becomes more difficult. The Advisory Committee understands that there are some problems in respect of the compilation of statistics on troop strength. The Advisory Committee recommends that an effective system of accounting be developed and that clear instructions be provided to the military authorities in this regard.

29. The estimate for contingent-owned equipment amounts to $77 million. This amount is in addition to $55.8 million apportioned and obligated for prior periods as shown in annex VII to the Secretary-General's report. The Committee was informed that the value of the contingent-owned equipment brought into the mission area since the inception of UNPROFOR is currently estimated at approximately $1.4 billion. The Committee was further informed that the estimate in the UNPROFOR budget for reimbursement to Governments in respect of contingent-owned equipment was based on 10 per cent of the equipment's value per year rather than on the depreciation scale previously used; the basis for the change, including the extent to which troop-contributing Governments have been consulted, and its timing have not been sufficiently explained to the Advisory Committee.

30. In this connection, the Committee notes that the guidelines for Governments contributing troops to UNPROFOR state, inter alia, that "the cost estimates for the Force will contain provision for reimbursing troop-contributing Governments in respect of contingent-owned equipment at a rate to be determined" and that general principles governing the calculation of reimbursement by the United

Nations are outlined. The Committee recommends that the existing guidelines be reviewed and made more specific, particularly in respect of the procedures to be followed by troop-contributing States in claiming reimbursement, including such guidelines as the procedures and deadlines for submission of claims, as well as for reimbursement.

31. The Committee was informed that the entire question of contingent-owned equipment, including reimbursement, was under review. The Committee welcomes this statement, given the importance of such equipment to peace-keeping operations and the substantial resources expended in this regard. The Committee recalls that in the past the question of contingent-owned equipment has been a source of serious concern. In this connection, the Board of Auditors and ACABQ have called for the establishment of an effective basis for the evaluation of contingent-owned equipment (A/47/500, para. 52). The Advisory Committee therefore urges the Secretary-General to complete his review quickly and report the results to the General Assembly.

32. The military contingent personnel comprise infantry and support units. The Committee was informed that included in the total of 28,294 deployed troops were, as at 2 February 1994, 5,247 military support personnel. The Committee was further informed that the balance of the troops that would be deployed during the next period in order to reach the authorized level of 34,700 troops would be infantry personnel.

33. The Committee notes from paragraph 43 of annex VI to the Secretary-General's report that "some 1,400 construction and logistic contingent personnel have been repatriated and responsibility for these duties has been transferred from the military to the civilian sector", thereby necessitating an increase in civilian staff (see para. 41 below).

34. The Committee discussed this transfer of function at length with representatives of the Secretary-General. The Committee was informed that numerous attempts to elicit construction, engineering and logistics capability from troop-contributing countries have not been successful. Because of insufficient logistical support it has been necessary for the civilian component to assume responsibilities related, for example, to maintenance and warehousing normally carried out by logistic units. This in turn has had an impact on other requirements under, for example, transport (see para. 61 below). Similarly, the decision of a troop-contributing State to repatriate its construction battalion, which had been specifically formulated to meet UNPROFOR requirements, had an impact on the construction work needed for the mission.

35. The Advisory Committee notes that the Security Council has authorized a full complement of 34,700 troops. The Committee notes further that the breakdown comprises 26,595 infantry and 8,105 support. According to the representatives of the Secretary-General, deployment of less than the full complement of 8,105 military support personnel did not mean that less than 34,700 troops would be deployed. However, it might also appear that, to the extent civilian personnel replaced logistic support troops, the total level of troop strength could be reduced. The Advisory Committee believes that this matter should be clarified by the competent legislative authorities.

36. The Committee was informed that a joint logistics operation cell was being established in order to ensure that military and non-military resources relating to supply matters, maintenance and transport, etc. were organized and coordinated, thus reducing overall costs because of more effective use of resources.

37. In the opinion of the Committee, it is essential that a careful analysis be undertaken with a view to determining the most cost-effective method of delivering the services that are to be transferred from military to the civilian operation of UNPROFOR. Such an analysis should lead to the establishment of guidelines and/or agreement with troop-contributing countries so that each party knows and is aware of the areas of responsibility. This would avoid costly duplication of effort. The Committee therefore welcomes the statement by the representatives of the Secretary-General that a number of contingents being deployed would not include certain support personnel and that they would rely on the civilian sector of UNPROFOR. The Committee recommends that, in his next report on the financing of UNPROFOR, the Secretary-General should include detailed information concerning the cooperation and coordination between the military and civilian sectors of UNPROFOR regarding the delivery of the above services and the savings achieved.

38. The estimate for civilian personnel costs amounts to $78.3 million, including $20.6 million for civilian police. The balance covers international and local staff and international contractual personnel. The estimate is some $12.2 million less than the amount shown in annex V to document A/48/690 in view of revised deployment schedules in respect of civilian staff and international contractual personnel.

39. The estimate provides for a total of 710 international civilian staff, 1,760 local staff and 1,330 international contractual personnel. Those numbers provide for the following increases to the current authorized totals:

	Professional and above	Field Service	General Service	Security Service	Local	International contractual	Total
Current	258	88	204	-	1 680	586	2 816
Additional	90	-	60	10	80	744	984
Total	348	88	264	10	1 760	1 330	3 800

40. As discussed in subparagraphs 41 (b) to (e) of annex VI to the Secretary-General's report, one additional Assistant Secretary-General post (in which the Advisory Committee concurred in December 1993 (see A/48/776)) and three additional D-2 posts are proposed. On the basis of the information provided, the Advisory Committee does not object to these posts. With regard to the post of Director of the Office of the Special Envoy of the Secretary-General, the Committee was informed that the post of Special Envoy is funded by the

International Conference on the Former Yugoslavia; consequently it was proposed to fund the D-2 post under the UNPROFOR budget.

41. In paragraph 42 of annex VI of his report, the Secretary-General states that the remaining 236 new posts are required "in connection with the enlargements of UNPROFOR's mandate and strength authorized by Security Council resolutions 844 (1993) and 847 (1993), as well as to carry out construction and logistic functions previously performed by the military". The transfer of construction and logistic functions is also given as the reason for the increase in contractual personnel (see A/48/690, annex VI, para. 52).

42. The Committee regrets that adequate justification for the 236 new posts and 744 contractual personnel was not provided in the report of the Secretary-General and that no attempt to identify or quantify those posts related to ex-military functions was made. The Advisory Committee notes that 60 of the new posts (Professional, General Service and local) relate to civil affairs; 168 posts (Professional, General Service, Security Service and local) would be assigned to administration, as shown in annex IX to the Secretary-General's report. The entire complement of international contractual personnel, including the increase of 744, relates to administration. The Advisory Committee sought information concerning the distribution of the increase in civilian personnel and was informed that of the 912 personnel to be assigned to administration (168 international and local staff and 744 contractual personnel) and 270 (224 international contractual personnel and 46 international and local staff) related to the transfer of logistics functions referred to above. The balance related to the enlargements of UNPROFOR's mandate.

43. Despite attempts by representatives of the Secretary-General to provide additional information, the Committee found itself handicapped by the lack of essential data regarding the new posts. Bearing in mind the unusual circumstances in which the budget is being reviewed, i.e. at the end of the mandate period, the Committee sought information regarding the number of United Nations staff posts/contractual staff that could realistically be deployed by the end of March 1994, taking into account the stage of advance recruitment and contractual arrangements.

44. The Advisory Committee was informed that all new contractual personnel could be on board by 31 March, since the bidding process had been completed and the award of contract would be made once the estimates had been approved. With regard to United Nations staff, the Committee was informed that, of the 240 new posts, 176 could not be filled by 31 March. The Committee was further informed that the consequential reduction in the cost estimate amounted to some $810,000, over and above reductions already made in the calculation of the Secretary-General's revised estimate because of delayed deployment (see para. 38 above). The Committee therefore recommends that the estimate be reduced by $810,000 and that resources required to fund the balance of the posts be justified in a comprehensive manner in the report to be prepared by the Secretary-General (see para. 79 below).

45. As discussed above, the estimate for civilian personnel includes provision for contractual personnel. This practice was first proposed in the Secretary-General's report of 11 December 1992 "to make up the shortfall in

Field Service and General Service technical and administrative support staff" (see A/47/741, annex V, para. 90), and commented upon by the Committee in the relevant report (A/47/778).

46. In its report contained in document A/47/990, the Committee stated its view that certain aspects of the use of international contractual personnel needed to be brought to the attention of the General Assembly. That recommendation was endorsed by the General Assembly in its resolution 47/210 B.

47. The Secretary-General has submitted a report on the use of civilian personnel in peace-keeping operations (A/48/707), section VII of which is devoted to the question of the use of international contractual personnel including the pilot project in UNPROFOR. The Advisory Committee intends to submit its observations on the report and to comment as appropriate on other concerns regarding contractual personnel that may or may not have been addressed by the Secretary-General. At this juncture, the Committee notes the Secretary-General's assurance that international contractual personnel do not perform "core" functions; they are not employees or agents of the United Nations, nor do they supervise United Nations staff members.

48. The Advisory Committee believes that all arrangements for contractual personnel should be in accordance with the appropriate rules and regulations of the Organization. It therefore requests the Secretary-General to provide further clarifications on the implementation of rules governing the contractual services in peace-keeping operations, in particular with regard to the current practices in UNPROFOR. The Committee underlines in particular the distinction to be made between contracting for well-defined goods or services and contracting for the use of supplementary support staff to be part of the United Nations "team".

49. The Advisory Committee also believes that there is a need for policy clarification with respect to the practice of deploying Security Guards from the Secretariat to United Nations missions. The Committee requests the Secretary-General report on this matter, including the question of any surplus of such personnel at Headquarters.

50. Related to the question of security is the provision of "United Nations uniforms" to civilian staff other than those traditionally provided to Field Service personnel. In response to its inquiry, the Committee was informed that, for reasons of security and in order to identify the staff as United Nations personnel, uniforms had been issued to UNPROFOR civilian personnel but that it was not mandatory for them to wear them. The Committee was further informed that, during the period from 1 April to 30 June 1993, expenditure in respect of civilian uniforms amounted to $102,892, which covered the cost of 300 sets of civilian uniforms. No provision for such uniforms is included in the current estimate. The Advisory Committee points out that an explanation of the policy for the provision of uniforms has never been included in any of the estimates for UNPROFOR. Moreover, the Advisory Committee queries the advisability of an expenditure for items that are not mandatory.

51. The Committee recognizes the necessity for improved security in the mission area and the responsibility of the Force Commander in this regard; however, it

believes the matter should be adequately discussed and any policy in this respect comprehensively developed. It therefore requests the Secretary-General to report on this in an appropriate manner.

52. The estimate for civilian personnel costs includes provision for mission subsistence allowance and hazard duty pay as indicated in paragraphs 35 and 48 of annex VI to the Secretary-General's report. The entire question of the entitlements and allowances paid to the personnel participating in peace-keeping operations continues to concern the Advisory Committee; it intends to revert to this issue in the context of the comprehensive report to be submitted to the General Assembly on all issues affecting the successful operation and administration of peace-keeping operations, requested by the Committee (see A/47/990).

53. The estimate for premises amounts to $82.1 million and includes $41.3 million for construction/prefabricated buildings. As discussed in paragraphs 78 to 79 of annex VI to the Secretary-General's report, accommodation currently exists for 24,858 troops; it is proposed to acquire 3,900 containers to accommodate an additional 7,800 troops in anticipation of deployment of the total authorized contingent strength. As shown in paragraph 79, it is anticipated that 2,042 troops will be accommodated in hotels and other rented facilities.

54. The Advisory Committee notes that the cost estimates for the next budgetary period include no provision for construction/prefabricated buildings, i.e. the estimate for the current period represents forward purchasing in view of the time required to secure such facilities. In this connection, representatives of the Secretary-General emphasized that such accommodations are not stock items: orders must be placed some six months in advance.

55. Notwithstanding the above, the Advisory Committee trusts that the Secretary-General, before orders are placed, will verify that deployment of 34,700 military personnel can be realized so as to ensure that no excess units are procured.

56. The estimate under premises includes $6,776,000 for alterations and renovations. The Committee notes that the estimates are not based on actual bids and that there may be room for economies. It therefore recommends that the estimate be reduced from $6,776,000 to $6 million. Similarly, bearing in mind the reserve stock that is provided for under the provision for maintenance supplies, the Committee recommends that the estimate of $8,740,000 under this sub-item be reduced to $8 million. With regard to maintenance supplies, the Committee trusts that adequate inventory and accounting systems have been or will be implemented, thereby ensuring adequate control; this should be done in respect of all equipment and supplies provided for in the UNPROFOR budget.

57. The provision for utilities amounts to $13,993,900 and provides fuel for the existing complement of 1,200 generators for nine months as well as fuel for the planned increase of 1,465 generators for the last three-month period of the budgetary period. Since the total number of generators is for the planned, but not yet realized, full complement of military and civilian personnel (no additional purchase of generators is budgeted for the next period), the planned

consumption of generator fuel referred to above and discussed in paragraph 77 of annex VI to the Secretary-General's report is not realistic. The Advisory Committee therefore recommends that the provision for utilities be reduced to $11 million.

58. The use of generators in the operation, for which provision of $31.3 million is included in the budget estimates, is discussed in paragraphs 145 to 147 of annex VI to the Secretary-General's report. The Advisory Committee discussed this at some length with representatives of the Secretary-General, including the Chief Administrative Officer. As stated in paragraph 145, mains power is either non-existent or at best unreliable throughout the mission area. Consequently generators will be used as the primary source of power.

59. That being the case, and bearing in mind the substantial resources necessary not only for the acquisition of the generators but also for their fuel, the Advisory Committee stresses the need for proper control with regard to the use of both the generators and the fuel.

60. Revised requirements under transport operations amount to $96,299,800. In this connection, the Committee was informed that the number of contingent-owned vehicles on board has increased from the number of 7,818 referred to in paragraph 19 of annex VI to the Secretary-General's report to 8,052 at 15 February 1994; the total as at 1 March 1994 is projected at 8,272. For United Nations-owned vehicles, the original estimates were based on a total complement of 2,293 United Nations-owned vehicles by the end of the current mandate period. Because of delays in the procurement of vehicles, the phasing-in schedule of United Nations vehicles has been revised; as at 1 January 1994 there were 1,653 vehicles on board as compared with the number of 2,293 referred to in paragrapn 20 of annex VI. The cost estimates for spare parts, repairs and maintenance, petrol, oil and lubricants and insurance have therefore been adjusted.

61. The transfer of logistic and construction functions from the military to civilian personnel (see paras. 33 to 35 above) also has an impact on requirements for transport as discussed in paragraphs 86 and 87 of annex VI to the Secretary-General's report. There exists, in the opinion of the Advisory Committee, a need for a clearly defined policy in respect of the acquisition of long-life vehicles such as cranes, bulldozers and other equipment for construction and building. While some equipment of this type will/has been rented as shown in paragraph 92 of annex VI, other similar equipment has been acquired as shown in table 1 of annex III to the same report. Similarly, the purchase of military equipment such as armoured personnel carriers should be carefully considered in terms of their effective contributions to ensuring safety and security measures for the UNPROFOR personnel as well as their disposition following the termination of the mandate of the Force.

62. Included in the total for transport operations is a provision of $37.7 million for spare parts, repairs and maintenance. The Advisory Committee notes that the costs for United Nations-owned vehicles and contingent-owned vehicles are estimated at $1,825 and $7,500 per vehicle respectively for the budgetary period 1 July 1993 to 31 March 1994; both of those rates reflect

increases from the rates of $1,000 and $5,000 respectively used during the period from 1 April to 30 June 1993. As shown in annex II to the Secretary-General's report, savings of $39,400 were realized during that period in respect of this item.

63. Representatives of the Secretary-General emphasized that the rates were not excessive. In this connection, the Committee was informed that the previous estimates were based on actual expenditures in respect of the United Nations Disengagement Observer Force and the United Nations Interim Force in Lebanon, which operate in areas where driving conditions are better and where there are no hostile actions against the vehicles. The difficult terrain, long distances, winter conditions (necessitating vehicles to be equipped for driving in snow) and hostile activities in the UNPROFOR area increased the cost per vehicle.

64. Notwithstanding the above, the Advisory Committee remains unconvinced as to the full rate of increase per vehicle that is being proposed; it questions the assumptions taken in calculating the estimate for spare parts and maintenance. In the opinion of the Committee, the hostile activities in certain areas do not justify an across-the-board increase applicable to all vehicles. The Committee also notes that the estimate provides for a two-month reserve stock of spare parts in respect of contingent-owned equipment and a six-week reserve for United Nations-owned vehicles.

65. In the circumstances, and pending a more adequate justification of the increase in rates, the Committee recommends that the rates of $1,250 and $6,250 be used for United Nations vehicles and contingent-owned equipment respectively. Based on the revised phasing-in schedule of vehicles provided to the Committee, the consequential reduction to the estimate for spare parts and maintenance would be $6,545,100. The Committee also requests that detailed information on recent performance be included in forthcoming reports and that it form the basis for the budget estimate.

66. The revised cost estimate for air operations amounts to $32.6 million, which reflects a reduction of $11.5 million in the estimate in document A/48/690. A number of factors contributed to this net reduction, including a change in the deployment schedule and adjustments in the monthly costs for rental, insurance and crew subsistence as a result of a change in contractors. In addition, the number of monthly hours has been adjusted as shown in annex XII (a) in document A/48/690/Corr.3.

67. The Committee found it difficult to assess the requirements for air operations; in future it requests that a more adequate justification in terms of operational requirements be provided. The Committee also requests that a cost comparison be provided between the commercially rented aircraft and those provided by Governments, which takes into consideration all direct and indirect costs. In this connection, the Committee notes that because of restrictions on flying hours for the government-provided helicopters, the use of such aircraft appears more costly. On the other hand, the United Nations does not pay insurance costs or separate subsistence for the crew of such aircraft.

68. The Committee also requests that, to the extent possible, information be provided on all aircraft used in the mission area, including those provided or

rented by international humanitarian operations, thereby enabling it to appreciate the totality of resources in this regard.

69. The total estimate for air operations includes $4.4 million for liability and war-risk insurance, the bulk of which is for war-risk insurance. The Committee was informed that the matter was being studied with a view to determining the feasibility of establishing a self-insured fund up to a certain amount, given the difficulties and high costs involved in securing commercial war-risk insurance.

70. The Committee has a number of concerns with regard to communications, for which a total of $48.1 million is provided. Although reference is made in paragraphs 124 and 125 of annex VI to the Secretary-General's report to the communications systems purchased by UNPROFOR in order to provide a more cost-effective and efficient communications system, the cost benefits of such a system have not, in the opinion of the Committee, been clearly described. In addition, while recognizing that the mission's expansion has resulted in increased requirements, the explanations provided in annex VI are inadequate.

71. The Committee also expresses its reservations regarding the estimate of $10.6 million for spare parts and supplies for communications equipment, particularly in view of the fact that much of the equipment is new.

72. The Committee does not, at this stage, recommend a reduction in the estimate for communications. However, it requests that, in future, including in the context of the performance report for the period from 1 July 1993 to 31 March 1994, a clearer explanation and more adequate justification be provided in respect of all communication requirements.

73. The cost estimate for the support account for peace-keeping operations amounts to $4,912,900. As stated in paragraph 198 of annex VI to the Secretary-General's report, the "costs of international contractual personnel have been included since they are encumbering posts that normally are filled by United Nations staff" (see paras. 45-48 above).

74. As indicated in paragraph 47 above, the Committee intends to submit its observations on the report of the Secretary-General on the use of civilian staff, including international contractual personnel in peace-keeping operations. Furthermore, the Committee recalls that the Secretary-General is to provide a report on the use of the support account for peace-keeping operations. The Committee intends to revert to the question of the inclusion of contractual personnel in the computation of the estimate under this item.

75. Pending its consideration of the report on the support account, the Advisory Committee recommends that provision for this item be reduced to $3,221,220.

76. Bearing in mind its observations in the preceding paragraphs, the Advisory Committee recommends an appropriation of $858,878,659 gross for the period 1 July 1993 to 31 March 1994, inclusive of the amount of $778,408,000 (see para. 7 above) already authorized by the Assembly.

Cost estimate for the period 1 April 1994 to 31 March 1995

77. The Secretary-General estimates requirements for the 12-month period from 1 April 1994 to 31 March 1995 at $1,250,858,400 gross ($1,238,888,100 net) as shown in annex VII in document A/48/690/Corr.3. On that basis, the estimated monthly cost of maintaining UNPROFOR for the above period amounts to $104,238,200 gross ($103,240,675 net).

78. The Advisory Committee notes that the above-mentioned rate takes into account all enlargements to the operation's mandate thus far authorized by the Security Council. However, bearing in mind the continuously changing situation in the mission area and the possibility of future modifications of UNPROFOR, the Committee is of the view that the above-mentioned rate is, at this stage, indicative only.

79. Bearing in mind that the current mandate of UNPROFOR extends up to 31 March 1994, the Advisory Committee recommends that, subject to action of the Security Council, the General Assembly authorize the Secretary-General to enter into commitments for a period of up to three months beginning 1 April 1994 at a monthly rate not to exceed $95,430,962 gross with the prior concurrence of ACABQ as to the exact amount to be committed and the period to be covered. The Advisory Committee further recommends that the Assembly request the Secretary-General to submit a budget corresponding to the mandated period by May 1994 for review by the Advisory Committee. The Advisory Committee points out that the above approach, while providing time for budget preparation, will ensure a more timely consideration of the budget estimates.

Compliance with past decisions of ACABQ

80. The Advisory Committee has requested that, in the Secretary-General's future reports on the financing of UNPROFOR, precise information should be given on implementation of and/or compliance with recommendations of ACABQ that have been endorsed by the General Assembly.

Annex

UNPROFOR

Deployment of personnel as at 21 January 1994

	Zabreb	Sarajevo	Sector West	Sector East	Sector North	Sector South	Bosnia and Herzegovina	Former Yugoslav Republic of Macedonia	Other	Total
Military personnel										
Observers										595
Contingents	2	2 954	3 624	1 904	2 828	2 249	9 869	1 036	2 507	26 973
Civilian police	18	46	131	146	174	125	6	26	2	674
Civilian personnel										
International	231	6	12	15	16	16	22	12	14	344
Local	545	101	115	119	112	98	128	46	137	1 401
Contractual	418	9	28	29	47	38	13	19	33	634